

BLC Corporation
A subsidiary of
Citicorp

989 East Hillsdale Blvd. 415/573-1200
Suite 300 Fax
Foster City, CA 415/573-5669
94404-2401

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November 3, 1994

Interstate Commerce Commission
12th & Constitution Ave., N.W., Room 2311
Washington, D.C. 20423
Attn: Document Recorder

To Whom it May Concern:

Pursuant to the provisions of Title 49, United States Code, Section 11303, please find enclosed one fully executed original and two certified copies of a Master Leasing Agreement, dated as of October 1, 1994, between BLC Corporation and Monsanto Company.

In connection with the recording of the above mentioned Agreement, please note the following information:

- (i) Name and address of Lessor: BLC Corporation, 989 East Hillsdale Blvd., Suite 300, Foster City, California 94404
- (ii) Name and address of Lessee: Monsanto Company, 800 North Lindbergh Blvd., Building E., St. Louis, Missouri 63167
- (iii) General description of Equipment covered by the Master Leasing Agreement: railroad rolling stock including, but not limited to, eight railroad tank cars with the Serial Nos. MLUX 15000 - MLUX 15007
- (v) Previous filings with the Interstate Commerce Commission covering the Equipment:

<u>Document:</u>	<u>Recordation Date:</u>	<u>Recordation Number:</u>
None	None	None

Enclosed is a check in the amount of \$21.00 to record the enclosed Agreement. When the recording of this document has been completed, please endorse, with the relevant recording information, the enclosed copies provided herewith and return them to my attention.

4/U/MONS.ICC/110394

November 3, 1994
Page 2

If you require further information to complete this filing, please feel free to contact me at (800) 227-6516 extension 257. Thank you for your assistance in this matter.

Sincerely,



Lori A. S. Alonso
Senior Contract Administrator
and Legal Assistant

cc: Debra M. Argenbright
Kathy Grosshauser

4/U/MONS.ICC/110394

Interstate Commerce Commission
Washington, D.C. 20423

11/7/94

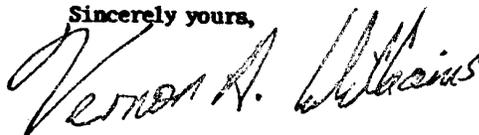
OFFICE OF THE SECRETARY

Lori A. S. Alonso
BLC Corporation
A Subsidiary of Citicorp
989 East Hillsdale Blvd.
Ste. 300
Foster City, CA. 94404-2401

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 11/4/94 at 4:00PM, and assigned recordation number(s). 19045.

Sincerely yours,



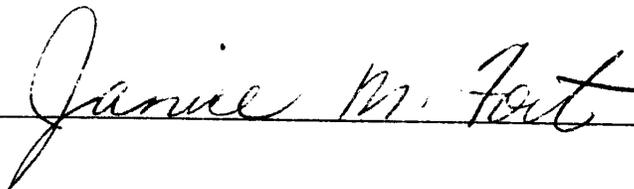
Vernon A. Williams
Secretary

Enclosure(s)

(0100424002)

\$ 21.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



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CERTIFICATE

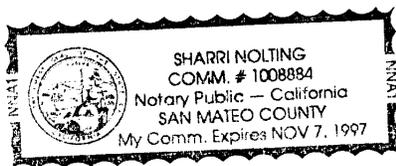
I, Debra M. Argenbright, Assistant Secretary of BLC Corporation, hereby certify that the attached is a true and correct copy of the Master Leasing Agreement, dated as of October 1, 1994, between BLC Corporation and Monsanto Company.

By Debra M. Argenbright
Debra M. Argenbright, Assistant Secretary

Date: November 3, 1994

Subscribed and sworn to before
me this 3rd day of November, 1994.

Sharrri Nolting
Notary Public



19045

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10/24/94

MASTER LEASING AGREEMENT

Dated as of October 1, 1994

Between

BLC Corporation,

as Lessor

and

Monsanto Company,

as Lessee

2/L/MONSANTO.MLA/102494

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MASTER LEASING AGREEMENT

Master Leasing Agreement, dated as of October 1, 1994, by and between BLC Corporation of San Mateo, California (herein called "Lessor") and Monsanto Company (herein called "Lessee").

In consideration of the mutual covenants hereinafter contained, Lessor and Lessee agree as follows:

1. Definitions. As herein used:

(a) "Acquisition Cost" of Equipment is an amount equal to the sum of (i) the vendor's delivered price, dealer's delivery and handling charges, the cost of any original equipment which may be added, excise tax on the Equipment, any sales and use taxes, expenses of installation and freight, and other expenses required to effect delivery of the Equipment to Lessee, less purchase discounts obtained, plus (ii) any Interim Rent which shall be capitalized pursuant to the provisions of Subsection 21(e) hereof.

(b) "Administration Fee" shall mean for any month in which Equipment or components of Equipment are leased hereunder, an amount computed by multiplying the following:

(1) The total number of (i) Individual Leasing Records for Equipment (excluding component Individual Leasing Records), and (ii) component Individual Leasing Records for each first component in a series of components related to a completed unit of Equipment, in effect under this Master Leasing Agreement at any time during such month, by

(2)

(c) The "Aggregate Amortization" of any Equipment is an amount equal to the sum total of the Monthly Amortization Figures for each of the months for which Rent for the Equipment has been paid.

(d) "Basic Term" shall mean as to any item of Equipment the amortization period for such Equipment, selected by Lessee and approved by Lessor, as stated in the applicable Individual Leasing Record. Lessee shall select amortization periods based on the table in Schedule B hereto.

All other Equipment not listed on Schedule B shall have a Basic Term as approved by Lessor.

In determining the Basic Term of Equipment, the anticipated useful life of such Equipment as it will be used by Lessee shall be considered, and upon request, Lessee will furnish Lessor with information with respect thereto.

(e) "Component Fee" shall have the meaning specified in Subsection 21(b) hereof.

(f) (1) "Contingent Rent" shall mean the amount by which the proceeds of sale of any unit of Equipment pursuant to Section 10 of this Master Leasing Agreement are less than they would otherwise have been because of abuse, damage, extraordinary wear and tear or excessive usage or because the Equipment has not been maintained in accordance with the provisions of Sections 6 or 7 hereof. In the event Lessor and Lessee cannot agree on the amount of Contingent Rent due, if any, they shall appoint the American Arbitration Association to have an individual who is knowledgeable in the equipment leasing industry

determine the amount, and that individual's decision shall be final. All fees and expenses of the American Arbitration Association shall be borne by Lessee.

(2) If the sale proceeds of any unit of Equipment transmitted to Lessor are less than 13% of the Base Amount (as defined in Section 10), Lessee shall, in addition, be obligated to pay, and shall pay to Lessor, the amount (if any) of Contingent Rent with respect to such Equipment as is then determined in accordance with subsection (f)(1), provided, however, that the amount of any Contingent Rent will not be greater than the amount by which 13% of the Base Amount exceeds such proceeds of sale.

(g) "Equipment" means the following types of property owned or to be owned by Lessor and leased by Lessor to Lessee or ordered by Lessor for lease to Lessee as provided herein:

(i) New or used vehicles, including, but not limited to, passenger cars, light, medium and heavy trucks, tractors, trailers, vans, and buses; related equipment attached to such vehicles;

(ii) new office equipment; data processing equipment; telecommunications equipment;

(iii) railroad rolling stock, including but not limited to that certain railroad rolling stock described in Schedule A hereto ("Railroad Equipment"); and

(iv) any other property agreed upon by Lessor and Lessee.

(h) "Expected Residual" for any Equipment shall be the amount selected by the Lessee and approved by the Lessor in the applicable Individual Leasing Record. The execution of an Individual Leasing Record shall represent the agreement of Lessor and Lessee that the Expected Residual stated therein is not greater than a reasonable estimate of the expected fair market value for such Equipment at the end of the applicable Basic Term; provided that the Expected Residual for any Equipment shall not exceed the percentage set forth in Schedule B hereto.

(i) "Extended Term" shall have the meaning specified in Section 17(b) hereof.

(j) "Individual Leasing Record" is a record with respect to Equipment dated the date of the delivery of the Equipment to Lessee and setting forth a full description of the Equipment, its Acquisition Cost, the location and such other details as the parties may desire. As between Lessor and Lessee the signature of Lessee on an Individual Leasing Record shall constitute acknowledgement by Lessee that the Equipment has been delivered in good condition and accepted for lease by Lessee as of the date of the Individual Leasing Record. The Individual Leasing Record shall contain a short form of lease to be executed by each of the parties reading substantially as follows:

"The undersigned Lessor hereby leases to the undersigned Lessee, and Lessee acknowledges delivery to it in good condition of, the Equipment described above. The covenants, terms and conditions of this lease are those appearing in a Master Leasing Agreement between the undersigned Lessor and Lessee dated October 1, 1994, which covenants, terms and conditions are hereby incorporated by reference."

(k) "Interim Rent" for any Equipment for any partial first month during the term of the lease of such Equipment shall be determined in the manner that Rent is determined under paragraph 1(l) hereof, but based on the product of:

- (1) The Acquisition Cost of the Equipment, multiplied by
- (2) a fraction having a numerator equal to the number of days remaining in such partial month and a denominator of 360, multiplied by
- (3) the applicable Percentage Rental Factor provided for in Subsection 1(l)(3).

(l) "Monthly Amortization Figure" for any Equipment for each full month during the Basic Term for such Equipment is an amount equal to (i) the Acquisition Cost less the Expected Residual for such Equipment divided by (ii) the number of months in the Basic Term for such Equipment; provided that such Basic Term shall not exceed the amortization period referred to in Schedule A hereto.

The "Monthly Amortization Figure" for any Equipment for each full month during the Extended Term for such Equipment shall be equal to the Unamortized Value of such Equipment at the end of the Basic Term divided by the number of months in the Extended Term selected by Lessee and approved by Lessor plus the additional amount described in Section 17(b) hereof (if any).

Monthly amortization shall be taken as of the close of business of the last day of each full month of the lease of the Equipment until the Unamortized Value of the Equipment has reached zero.

(m) "Rent" for any Equipment for any full month during the term of the lease of such Equipment will be the sum of the Monthly Amortization Figure for such Equipment, plus Contingent Rent for such Equipment (if any), plus an amount computed by multiplying the following:

- (1) The Unamortized Value of such Equipment on the first day of such month, by
- (2) A fraction having a numerator equal to the number of days in such month and a denominator of 360, by
- (3) A percentage (the "Percentage Rental Factor") equal to the sum of % per annum plus the rate per annum obtained by dividing (i) the rate per annum at which deposits in U.S. dollars are offered by Citibank, N.A. to prime banks in the London Interbank Market for a period equal to one month, as quoted at 11:00 a.m. (London time) two Business Days (as such term is defined in Section 5 hereof) prior to the 1st day of the current month, by (ii) a percentage equal to 100% minus the Reserve Percentage for such one-month period.

(n) "Reserve Percentage" shall mean the reserve percentage applicable during such month under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for a member bank of the Federal Reserve System in New York City that Citibank, N.A. is required to maintain with respect to liabilities or assets consisting of or including Eurocurrency liabilities, having a term equal to one month.

(o) "UCC" shall mean the Uniform Commercial Code including the provisions of the Uniform Personal Property Leasing Act as adopted in the applicable state.

(p) "Unamortized Value" of Equipment is the Acquisition Cost of the Equipment less its Aggregate Amortization.

2. Agreement for Lease of Equipment. (a) Subject to the terms and conditions of this Master Leasing Agreement and upon execution and delivery by the Lessor and the Lessee of an Individual Leasing Record evidencing the mutual agreement of the parties hereto with respect to the lease of specific units of Equipment, Lessor shall lease to Lessee such units of Equipment as set forth in such Individual Leasing Record. No Individual Leasing Record shall be effective unless and until executed by Lessor and in no event shall the aggregate Unamortized Value of all Equipment leased by Lessor to Lessee hereunder exceed \$20,000,000. Lessor and Lessee hereby declare that this Master Leasing Agreement is, and is intended to be, an agreement to lease, and that every Individual Leasing Record executed by the parties pursuant to this Master Leasing Agreement is a lease. Lessor has or will have title to and will be the owner of the Equipment to be leased, and Lessee does not hereby acquire any right, equity, title or interest in the Equipment, except the right, as Lessee, to use the same under the terms hereof. If this Master Leasing Agreement is deemed at any time to be one intended as security, Lessee agrees that the Equipment shall secure all amounts owed by Lessee to Lessor as set forth herein. The parties further agree to treat this Master Leasing Agreement and any Individual Leasing Record executed pursuant to this Master Leasing Agreement as an operating lease for accounting purposes and as a financing arrangement for tax purposes.

(b) Lessor hereby covenants that, as long as Lessee is not in default hereunder, Lessee shall be entitled to the uninterrupted use and quiet enjoyment of the Equipment on the terms and conditions herein provided.

3. Delivery. Lessor shall not be liable to Lessee for any failure or delay in obtaining Equipment or making delivery thereof. Upon delivery of Equipment to Lessee and receipt by Lessor of vendor's invoice approved by Lessee together with an Individual Leasing Record with respect to the Equipment, mutually acceptable to Lessee and Lessor, duly executed by Lessee and, if requested by Lessor, appropriate title papers for such Equipment, Lessor shall, subject to the provisions of this Master Leasing Agreement, execute such Individual Leasing Record and remit to the vendor or, at the request of Lessee, shall remit directly to the Lessee a check, or other mutually agreed upon form of payment, for the total of the vendor's invoice for such Equipment, provided that the total amount paid by Lessor shall not exceed the Acquisition Cost of the Equipment. If the amount paid to the vendor by Lessor is less than the Acquisition Cost of the Equipment, to the extent that delivery costs or cost of additions to the Equipment have been met by Lessee, and do not exceed the Acquisition Cost, Lessor shall reimburse Lessee for such payment made by Lessee up to the amount of the Acquisition Cost.

4. Lease Term. The lease hereunder of Equipment shall be effective from the date of delivery of such Equipment and the Individual Leasing Record shall be dated such date. The lease term for each unit of Equipment shall be for a period beginning with the effective date thereof and ending one (1) year after the last day of the month in which the effective date of the lease occurs. At the end of such one (1) year period and thereafter, the lease term shall be extended from month to month until terminated, as provided in Sections 10, 11, 14, 15, 16 or 17 hereof. Notwithstanding the foregoing, at least the provisions of Section 9 and the first sentence of Section 11 of this Master Leasing Agreement shall apply as between Lessor and Lessee with respect to any Equipment from the time the Equipment is ordered by Lessor pursuant to a request from Lessee. Upon expiration of the Basic Term or the Extended Term for each item of Equipment, unless Lessee shall have purchased such Equipment pursuant to the provisions of Section 17(a), extended the lease term of such Equipment pursuant to the provisions of Section 17(b) or sold such Equipment to an unrelated third party pursuant to Section 10, it shall be assumed that the Lessee elected to extend the term of the lease of such Equipment as described in Section 17(c) hereof.

5. Rent. Lessee shall pay Rent, Interim Rent, the Administration Fee and the Component Fee monthly in arrears on the 25th day of the current month. If Lessor shall not

receive payment of Rent, Interim Rent, the Administration Fee or the Component Fee when due hereunder, Lessee shall pay a late payment charge to Lessor on such late payment at a rate equal to the Percentage Rental Factor (as provided in Section 1(m)(3)) plus 3% per annum (but in no event shall such rate be greater than that rate permitted by applicable law) for the period during which such late payment remains due and unpaid. Invoices from Lessor shall be rendered within a reasonable period of time after the Rent, Interim Rent, the Administration Fee and the Component Fee can be determined. Such invoices shall cover the computation of Rent, Interim Rent, the Administration Fee and the Component Fee and other payments due hereunder for the month, adjustments to the preceding month's Rent, Interim Rent, the Administration Fee and the Component Fee resulting from commencement or termination of the lease of any Equipment during such month and other appropriate items, if any. All payments of Rent, Interim Rent, the Administration Fee and the Component Fee and all other payments made by Lessee to Lessor pursuant to this Master Leasing Agreement shall be paid to Lessor in lawful money of the United States in immediately available funds, by electronic funds transfer or by such other method of payment as mutually agreed, to Lessor's Account No. 3846-9701 at Citibank, N.A., 399 Park Avenue, New York, New York 10043. If the date for the payment of Rent, Interim Rent, the Administration Fee and the Component Fee shall not occur on a day when banks in New York, New York are generally open for business (a "Business Day"), such payment shall be made on the next succeeding Business Day. If the date for the determination of Rent and Interim Rent shall not occur on a Business Day when dealings are conducted in the London Interbank Market, such determination shall be made on the immediately preceding Business Day when dealings are conducted in the London Interbank Market.

6. Use of Equipment. (a) Lessor and Lessee hereby acknowledge and agree that the Equipment leased hereunder shall at all times be the sole and exclusive property of Lessor, and Lessee shall have no right, title or property therein but only the right to use the same as herein provided. So long as Lessee is not in default in any obligation to Lessor, Lessee may use the Equipment in the regular course of its business or the business of any subsidiary or affiliate of Lessee and may permit others to use same for any lawful purpose. Such use shall be confined to the United States for all Equipment other than Railroad Equipment. Railroad Equipment shall be used in the United States, Canada and Mexico. Lessee shall promptly and duly execute, deliver, file and record all such documents, statements, filings and registrations, and take such further action as Lessor shall from time to time reasonably request in order to establish, perfect and maintain Lessor's title to and interest in the Equipment as against Lessee or any third party. Lessee shall provide Lessor with all license, registration and vehicle identification numbers relating to automotive equipment leased hereunder. Lessee shall provide Lessor with prior notice in writing of any change in the principal location of any unit of Equipment, of any change in the primary business address of Lessee in any relevant jurisdiction, of any change in the legal name of the Lessee, or of any material change in the business structure of the Lessee. Notwithstanding the foregoing, no such changes shall be undertaken unless and until all reasonably appropriate legal requirements shall have been met or obtained. Upon the Lessor's request, Lessee shall advise Lessor in writing where all Equipment leased hereunder as of such date is principally located. Lessee shall not use any Equipment or knowingly allow the same to be used for any unlawful purpose. Lessee shall use reasonable precautions to prevent loss or damage to Equipment and to prevent injury to third persons or property of third persons. Lessee shall cooperate fully with Lessor and all insurance companies providing insurance under Section 8 hereof in the investigation and defense of any claims and suits. Lessor or any authorized representative of Lessor may during reasonable business hours from time to time inspect Equipment wherever the same be located. Lessee shall register and title all automotive Equipment in the manner requested by Lessor. If requested by Lessor, Lessee shall cause one of its authorized employees to hold in his custody and control all registration certificates and certificates of title covering automotive Equipment, as custodian for Lessor, and, if further requested by Lessor, Lessee shall cause such employee to certify annually in a written report to Lessor that all certificates of title required by

applicable law and regulations have been obtained and are being held on behalf of Lessor. Pursuant to the provisions of the Truth in Mileage Act of 1986 (the "Act") and the regulations relating thereto, certain odometer disclosures must be made by the transferor at the time the title to any motor vehicle is transferred. Lessor hereby appoints Lessee, and Lessee hereby agrees to act, as its agent to make all such disclosures. In addition, the regulations described above require the Lessor to inform the Lessee and Lessor hereby so informs Lessee that failure to comply with the Act and the regulations relating thereto may result in fines and/or imprisonment for the party making the false disclosure or failing to make the required disclosure. Lessee upon written request from Lessor, or if necessary or advisable under applicable law, shall attach to each unit of Equipment in a place designated by Lessor (or if no such place has been designated, in a prominent place), a sign, stencil, plaque, or legend disclosing the ownership of Lessor and the interest of any mortgagee in the Equipment.

(b) LESSEE SHALL NOT WITHOUT PRIOR WRITTEN CONSENT OF LESSOR (WHICH CONSENT SHALL NOT BE UNREASONABLY WITHHELD) SUBLEASE ANY EQUIPMENT NOR PERMIT, OR SUFFER TO EXIST, ANY LIEN OR ENCUMBRANCE OTHER THAN THOSE PLACED THEREON BY LESSOR OR BY PERSONS CLAIMING ONLY AGAINST LESSOR AND NOT AGAINST LESSEE, NOR SHALL LESSEE ASSIGN ANY RIGHT OR INTEREST HEREIN OR IN ANY EQUIPMENT, PROVIDED, HOWEVER, THAT LESSEE MAY SUBLET EQUIPMENT TO ANY SUBSIDIARY, AFFILIATE, OFFICER OR EMPLOYEE OF LESSEE, OR TO ANY CONTRACTOR FOR USE IN PERFORMING WORK FOR LESSEE, PROVIDED THAT SUCH SUBLETTING SHALL IN NO WAY AFFECT THE OBLIGATIONS OF LESSEE HEREUNDER, OR THE RIGHTS OF LESSOR HEREUNDER. THE RIGHTS OF THE LESSEE TO ASSIGN ITS INTEREST AS LESSEE HEREUNDER, AS DESCRIBED IN SECTION 303 OF THE LEASING ARTICLE OF THE UCC, ARE HEREBY WAIVED BY THE LESSEE. NOTWITHSTANDING THE FOREGOING, LESSEE MAY (i) ENTER INTO RAIL CAR TRIP AGREEMENTS IN FORM SUBSTANTIALLY THE SAME AS EXHIBIT A HERETO AND (ii) IN THE EVENT THAT LESSEE SELLS OR OTHERWISE DISPOSES OF PART OR ALL OF ANY BUSINESS THAT UTILIZES LEASED EQUIPMENT, LESSEE MAY ASSIGN ITS INTEREST IN SUCH EQUIPMENT TO SUCH SUCCESSOR, PROVIDED HOWEVER THAT (i) AND (ii) SHALL IN NO WAY AFFECT THE OBLIGATIONS OF LESSEE HEREUNDER OR THE RIGHTS OF LESSOR HEREUNDER.

(c) The Lessee agrees to comply with all governmental laws, regulations, requirements and rules (including, without limitation, the rules of the United States Department of Transportation, the Interstate Commerce Commission (the "ICC") and, to the extent applicable, the current Interchange Rules or supplements thereto of the Mechanical Division, Association of American Railroads ("AAR") as the same may be in effect from time to time (the "Interchange Rules") with respect to the use and maintenance of each unit of Railroad Equipment subject to this Agreement. Lessee agrees to maintain and keep the Railroad Equipment in good condition and in accordance with standard industry practices and suitable for use in interchange in accordance with the Interchange Rules. In case any Railroad Equipment or appliance is required to be altered, added, replaced or modified on any Railroad Equipment in order to comply with such laws, regulations, requirements and rules, the Lessee agrees to do one of the following: (i) change the use of the Railroad Equipment in accordance with the maintenance and repair provisions hereof, so that such required alterations, replacements and/or modifications do not apply, (ii) or properly "lay up" the Railroad Equipment for up to the remainder of its Basic Term in accordance with the maintenance and repair provisions hereof, so that such required alterations, replacements and/or modifications do not apply; (iii) sell the Railroad Equipment to an independent third party in accordance with the terms and conditions of Section 10 hereof; (iv) make such alterations, additions, replacements and/or modifications at its own expense, and title thereto shall be immediately vested in the Lessor, provided, however, that Lessor agrees to use its reasonable efforts to provide reasonable financing to the Lessee to reimburse Lessee for any costs and expenses related to such alteration; or (v) in good faith and by appropriate legal

proceedings, contest the validity or application of any such law, regulation, requirement or rule in any reasonable manner which does not in the opinion of Lessor adversely affect the property rights, or interests of the Lessor in the Railroad Equipment hereunder.

7. Improvements and Repair of Equipment. Lessee shall pay all costs, expenses, fees and charges incurred in connection with the use and operation of Equipment during the lease thereof. Lessee shall at all times, at its own expense, keep Equipment in good condition and repair, and in good and efficient working order, reasonable wear and tear only excepted. This provision shall apply regardless of the cause of damage and all risks with respect thereto are assumed by Lessee. At its own expense, Lessee shall supply and replace all parts to the Equipment and shall supply, or arrange for a third party to supply, the necessary power and other items required in the operation of the Equipment. In the event of the termination of the lease of any Railroad Equipment that transports hazardous materials and a sale of such Railroad Equipment to a third party, Lessee shall be responsible, at its sole cost and expense, for cleaning and repairing all such Railroad Equipment including, if required by Lessor, the removal of all jackets and insulation and the removal and replacement of all interior liners so that the interiors of all Railroad Equipment are decontaminated to a level agreed to by such third party purchaser and Lessor. In the event of a surrender to Lessor of any Railroad Equipment that transports hazardous materials pursuant to the provisions of Section 12 hereof, Lessee shall be responsible at its sole cost and expense, for cleaning, repairing and decontaminating all such Railroad Equipment as required by Lessor. In the case of motor vehicles or other automotive Equipment, Lessee shall supply and replace all items required in the operation of such Equipment, including, without limitation, all parts, tires and tubes, gasoline, oil, and grease; shall put and keep such Equipment in condition to meet foreseeable climatic conditions; and shall arrange for the satisfactory garaging of such Equipment. All improvements and additions to any of the Equipment shall become and remain the property of Lessor, except that any improvements or additions for which Lessor has not made a payment under Section 3 of this Master Leasing Agreement, which constitute severable improvements and which when attached to or removed from the Equipment will not diminish the value or usefulness of such Equipment, shall become and remain the property of Lessee.

8. Insurance. Lessee shall, at its own expense, with respect to Equipment maintain insurance insuring the respective interests of Lessor and Lessee and covering (i) physical damage to Equipment and (ii) liability for personal injury, death and property damage resulting from the operation, ownership, use and possession of Equipment including environmental or pollution liability. Policies covering physical damage risks shall be in an amount not less than the Unamortized Value of Equipment. Lessee shall maintain third-party liability insurance covering personal injury, death and property damage liability as a result of one accident including environmental or pollution liability in the same amount as that insurance coverage maintained by Lessee with respect to Lessee's owned equipment of the same types as the Equipment leased hereunder, but in no event shall such coverage be less than \$100,000,000. All policies covering physical damage risks and all third party liability insurance required hereunder shall be subject to the same self-insured retention or deductible amounts as are applicable to Lessee's owned equipment of the same types as the Equipment leased hereunder. The above insurance shall also include the following for all automotive equipment leased hereunder, in amounts not less than the applicable minimum legal requirements: (a) uninsured/underinsured motorist coverage and (b) no fault protection. Notwithstanding the foregoing, Lessee may self-insure for any or all of the coverage required herein. Lessee covenants that it will not use or operate or permit the use or operation of any Equipment at any time when the insurance required by this Section, including self-insurance, is not in force with respect to such Equipment. Lessee's obligation to maintain insurance, including self-insurance, with respect to any Equipment shall commence on the actual day of delivery of the Equipment and shall continue until the Equipment is sold or the lease of the Equipment terminates, whichever is sooner.

9. Indemnity.

(a) Lessee agrees to indemnify and hold harmless Lessor, any employee of Lessor and any parent, subsidiary or affiliate of Lessor against any and all claims, demands and liabilities of whatsoever nature (including all negligence, tort and strict liability claims), judgments, suits and all legal proceedings, and all reasonable costs and expenses (including reasonable litigation expenses) relating to or in any way arising out of:

(i) the ordering, delivery, acquisition, making of payments (by electronic transfer, check or other means), rejection, installation, possession, titling, registration, re-registration, custody by Lessee of title and registration documents, use, non-use, misuse, operation, transportation, repair, control or disposition of Equipment leased or requested by Lessee to be leased hereunder, except to the extent that such costs are included in the Acquisition Cost of such Equipment within the dollar limit provided in Section 2 hereof (or within any change of such limit agreed to in writing by Lessor and Lessee) and except for any general administrative or overhead expenses of Lessor;

(ii) all recording and filing fees, stamp taxes and like expenses with respect to security filings on the Equipment incurred by Lessor or its agent;

(iii) all costs, charges, damages or expenses for royalties and claims and expenses arising out of or necessitated by the assertion of any claim or demand based upon any infringement or alleged infringement of any patent or other right, by or in respect of any Equipment, provided, however, that Lessor will to the extent permissible make available to Lessee Lessor's rights under any similar indemnification arising by contract or operation of law from the manufacturer of Equipment;

(iv) all federal, state, county, municipal, foreign or other fees and taxes of whatsoever nature, including but not limited to license, qualification, franchise, sales, use, gross receipts, ad valorem, business, property (real or personal), excise, motor vehicle, and occupation fees and taxes, and penalties and interest thereon, whether assessed, levied against or payable by Lessor or otherwise, with respect to Equipment or the acquisition, purchase, sale, rental, use, operation, control, ownership or disposition of Equipment or measured in any way by the value thereof or by the business of, investment in, or ownership by Lessor with respect thereto, excepting only net income taxes on the net income of Lessor determined substantially in the same manner as net income is presently determined under the Federal Internal Revenue Code, any excise, sales or use taxes included in the Acquisition Cost of the Equipment, and any penalties for late payment incurred solely due to Lessor's negligence in failing to timely forward to Lessee any related notice or demand for payment received by Lessor;

(v) any violation, or alleged violation, by Lessee of this Master Leasing Agreement or of any contracts or agreements to which Lessee is a party or by which it is bound and which are applicable to Equipment, or any laws, rules, regulations, orders, writs, injunctions, decrees, consents, approvals, exemptions, authorizations, licenses and withholdings of objection, of any governmental or public body or authority and all other requirements having the force of law applicable at any time to Equipment or any action or transaction by Lessee with respect thereto or pursuant to this Master Leasing Agreement, including, but not limited to, any costs, expenses or liabilities arising from Lessee's failure to comply with the provisions of the Act and the regulations relating thereto or the violation of any local, state or federal environmental laws or regulations of whatever kind which relate in any way to the use of the Equipment;

(vi) claims for injury to or death of persons and for damage to property related directly or indirectly in any way to the ownership, maintenance, use and operation of any Equipment including, but not limited to, all liabilities, hazards, environmental impairment liability, all liens and all risks of loss relating to the acquisition, use, maintenance and disposal of the Equipment and the transportation of any hazardous material in the Equipment; or

(vii) any reclaims, storage charges, mileage allowances, repair costs or any other charges relating to Railroad Equipment payable to any carrier or railroad company.

(b) Lessee shall forthwith upon demand reimburse Lessor for any sum or sums expended with respect to any of the foregoing, or shall pay such amounts directly upon request from Lessor. Lessee shall be subrogated to Lessor's right in the affected transaction and shall have a right to determine the settlement of claims therein but in the best interests of Lessor. The foregoing indemnity in this section shall survive the expiration or earlier termination of this Master Leasing Agreement or any lease of Equipment hereunder.

(c) If any claim is made or action commenced against Lessor for death, personal injury or property damage resulting from the ownership, maintenance, use or operation of any Equipment, Lessor shall promptly notify Lessee thereof and forward to Lessee a copy of every demand, notice, summons or other process received in connection therewith. Lessee hereby agrees that it shall fully defend and indemnify Lessor and handle all aspects of any such claim or action. Lessee further agrees to keep Lessor reasonably informed as to the progress of any such claim or action. Lessor shall have the right to arrange for its own defense against any such claim or action if, in Lessor's reasonable discretion, Lessor believes a separate defense would be in its best interests, and shall in such event, pay for the cost incurred, if any, due to Lessor's arrangement of its own defense.

10. Sale or Disposition of Equipment; Adjustment of Rent. After the expiration of one (1) year from the last day of the month in which the lease of any Equipment is effective, if such Equipment with respect to the Lessee has become economically or otherwise obsolete or is no longer useful in Lessee's business, and provided that Lessee is not in default hereunder, Lessee may arrange for the termination of the lease of such Equipment in the manner and with the consequences hereinafter set forth. Lessee shall deliver written notice to Lessor, signed by an authorized officer of Lessee, identifying the Equipment the lease of which Lessee proposes to terminate, the proposed sale price and the terms of the proposed sale. Such notice shall constitute a certificate of Lessee that such Equipment has become economically or otherwise obsolete or is no longer useful in Lessee's business. After delivery of such notice, Lessee, on behalf of and in cooperation with Lessor, shall proceed directly with negotiating the sale or disposition of such Equipment to a third party unrelated to Lessor or Lessee and Lessor shall execute and transmit to Lessee all papers needed to effectuate such sale or disposition. In arranging such sale or disposition of any Equipment pursuant to this Section 10, Lessee shall use reasonable efforts to obtain sale proceeds not less than such Equipment's retail fair market value, delivered to a purchaser or purchasers unrelated to Lessee, giving due consideration to whether the Equipment's value is higher as an aggregate, or as two or more lots of equipment. If the parties cannot agree upon such fair market value or values, they shall utilize the appraisal procedure provided for in Section 1(f)(1), with the consequences set forth therein. If the proposed sale price specified in such notice is less than 13% of the Base Amount of such Equipment, Lessee shall not proceed to sell the Equipment until it has received the consent of Lessor, which consent shall not be unreasonably withheld.

Lessee shall cause the sale proceeds of such Equipment to be transmitted promptly to Lessor. The lease of such Equipment and Lessee's obligation to pay Rent shall continue until such sale proceeds and additional Rent, if any, are received by Lessor, or Lessor's assignee, and shall thereupon terminate. If the sale proceeds of such Equipment are less

than the Unamortized Value of such Equipment at the time of the termination of the lease of such Equipment hereunder, Lessee shall forthwith pay as additional Rent an amount equal to such deficiency. If the sale proceeds of such Equipment are more than the Unamortized Value of such Equipment at the time of the termination of the lease of such Equipment hereunder, Lessor, in consideration of Lessee's agreement hereunder to repair, maintain and insure the Equipment, shall as an adjustment of Rent forthwith pay to Lessee or, at the option of Lessee, credit Lessee's account in an amount equal to the difference between said sale proceeds and said Unamortized Value. If for any month funds are payable by Lessor to Lessee under this Section, the amount so payable may be deducted by Lessee from funds payable during the same month by Lessee for Rent of Equipment.

Notwithstanding the foregoing, if the sale proceeds of any unit of Equipment are less than the Unamortized Value of such Equipment but equal to or greater than 13% of the Base Amount of such Equipment, Lessee shall at the same time pay Lessor a sum equal to the difference between the amount of the sale proceeds (which proceeds for purposes of determining Lessee's liability may be reduced due to prior or subsequent sales of other units of Equipment as hereinafter described) and the Unamortized Value. If the sale proceeds of any unit of Equipment plus Contingent Rent are less than 13% of the Base Amount of such Equipment Lessee shall at the same time pay Lessor a sum equal to the Unamortized Value of such Equipment less 13% of the Base Amount of such Equipment. In the event a deficiency arises because Lessor does not receive 13% of the Base Amount, to the extent that in any prior or subsequent sale of any unit of Equipment, sale proceeds were received or will be received in excess of 13% of the Base Amount, such excess sale proceeds shall be paid to Lessor, with respect to future sales, upon the sale of any unit of Equipment, and with respect to prior Equipment sales resulting in excess proceeds, at the time the deficiency arises. Any sale proceeds of Equipment in excess of the Unamortized Value of the Equipment after the expiration of the lease terms of all Equipment will be for the account of Lessee.

The "Base Amount" means, as to any Equipment sold one (1) year after the commencement of its lease term, the Acquisition Cost of such Equipment, and as to any Equipment sold more than one (1) year after the commencement of its lease term, the Unamortized Value of such Equipment at the termination of its lease term. The term "sale proceeds" for purposes of this Master Leasing Agreement shall mean the gross purchase price paid by the purchaser, without charge or reduction in any manner on account of any costs or expenses of sale, removal, transportation, repair, storage, delivery or similar costs or expenses, and all of such costs and expenses (if any) shall be borne by Lessee.

If Lessee shall exercise an option to purchase any Equipment pursuant to the provisions of Section 17(a) hereof, such purchase shall be treated as a sale of such Equipment under this Section 10.

11. Loss or Destruction of the Equipment. Lessee hereby assumes all risks of loss or damage to the Equipment howsoever the same may be caused. Lessee shall notify Lessor immediately of any loss or of any damage to any Equipment in an amount in excess of \$5,000 and shall keep Lessor informed of all developments and correspondence regarding insurance rights and other rights and liabilities arising out of the loss or damage. In the event of total destruction of any of the Equipment or damage beyond repair or the commandeering, conversion or other such loss of any of the Equipment, or if the use thereof by Lessee in its regular course of business is prevented by the act of any third person or persons, or any governmental instrumentality, for a period exceeding ninety (90) days, or if any of the Equipment is attached (other than on a claim against Lessor but not Lessee) or is seriously damaged and the attachment is not removed or the Equipment not repaired, as the case may be, in a period of ninety (90) days, then in any such event:

- (a) Lessee shall promptly notify Lessor in writing of such fact;

(b) Within ten (10) days thereafter Lessee shall pay to Lessor, or Lessor's assignee, an amount equal to the Unamortized Value of such Equipment at the time of payment;

(c) The lease of such Equipment shall continue until such payment has been received by Lessor, or Lessor's assignee, and shall thereupon terminate; and

(d) Upon such payment all of Lessor's title to and rights in such Equipment and any insurance thereon shall automatically pass to Lessee or its designee.

12. Surrender of Equipment. Upon the final termination of the lease as to any Equipment (other than a termination as provided for in Sections 10, 11, 14, 15, 16, or 17), Lessee shall surrender such Equipment to Lessor in the continental United States either at Lessee's property where the Equipment is then located or at such other place as may be agreed upon. Following such surrender, Lessor, or Lessor's agent, shall effect a sale of such Equipment to a third party. The sales proceeds from any such sale shall be treated in the same manner as the sale proceeds from a sale made pursuant to the terms and provisions of Section 10 hereof. Lessee shall cooperate with Lessor in effecting removal of the Equipment from Lessee's property.

13. Events of Default. The following events of default by Lessee ("Events of Default") shall give rise to rights on the part of Lessor described in Section 14:

(a) Lessee shall fail to make any payment of Rent, Interim Rent or any other payment due from Lessee hereunder beyond the date such payment is due and such failure to pay shall continue unremedied for ten (10) days after written notice by Lessor to Lessee that such amount is due and payable; or

(b) Lessee shall fail to comply with the covenant of Lessee in Section 8 hereof as to non-use of any Equipment as to which the required liability insurance, including self-insurance, is not in force; or

(c) Lessee shall fail to make any payment or perform any other liability, obligation, or covenant, condition or agreement to be performed or observed by Lessee hereunder or breaches of any representation or provision contained herein or in any other document furnished to Lessor in connection herewith, and such failure or breach shall continue unremedied for thirty (30) days after written notice to Lessee sent by registered or certified mail by Lessor; or

(d) The termination of existence, the business failure of, or the making of an assignment for the benefit of creditors by, Lessee; or

(e) The institution of bankruptcy, reorganization, liquidation or receivership proceedings by or against Lessee and, if instituted against Lessee, its consent thereto or the pendency of such proceedings for at least sixty (60) days; or

(f) Lessee shall admit in writing its inability to pay its debts generally when due;
or

(g) Lessee shall create, incur, assume or suffer to exist any mortgage, lien, pledge or other encumbrance or attachment of any kind whatsoever upon, affecting or with respect to the Equipment or this Master Leasing Agreement or any of Lessor's interests hereunder;
or

(h) The dissolution, merger, reorganization or sale of all or substantially all of the assets of Lessee without the prior written approval of Lessor; or

Lessee shall be obligated to provide Lessor with written notice of any Event of Default and any event which, with notice, or the lapse of time, or both would constitute an Event of Default promptly upon Lessee becoming aware of any such event.

14. Rights of Lessor upon Default of Lessee. If any of the Events of Default shall have occurred and be continuing, Lessor may, immediately for an Event of Default described in Subsection 13(a) hereof, and upon ten (10) days' written notice to Lessee for an Event of Default described in Subsection (b) through (h) of Section 13 hereof, with or without terminating the Master Leasing Agreement in its discretion do one or more of the following:

- (a) Terminate the lease of any or all Equipment;
- (b) Whether or not any lease is terminated, take immediate possession of any or all of the Equipment, including substituted parts, accessories or equipment and/or other equipment or property of Lessor in the possession of Lessee, wherever situated and for such purpose, enter upon any premises, in a commercially reasonable manner, without liability for doing so;
- (c) Whether or not any action has been taken under Subsections 14(a) or (b) above, Lessor may sell any Equipment (with or without the concurrence or request of Lessee) and Lessor shall retain all proceeds from such sale. In addition, if the sales proceeds (reduced by any legal costs or any costs or expenses of sale, removal, transportation, repair, storage, delivery, or similar costs and expenses) are less than the Unamortized Value of the Equipment sold, Lessee shall pay to Lessor any such shortfall;
- (d) Hold, use or lease any Equipment as Lessor in its sole discretion may decide, and continue to hold Lessee liable for any deficiency between the rent received by Lessor from others and the Rent and Interim Rent payable hereunder for the balance of the term of the lease of such Equipment;
- (e) Invoke and exercise any other remedy or remedies available to Lessor by law or in equity.

No remedy referred to in this Section is intended to be exclusive, but shall be cumulative and in addition to any other remedy referred to above or otherwise available to Lessor at law or in equity. No express or implied waiver by Lessor of any default shall constitute a waiver of any other default by Lessee or a waiver of any of Lessor's rights.

If after default Lessee fails to deliver or converts the Equipment or the Equipment is destroyed, Lessee shall be liable to Lessor for all unpaid Rent and Interim Rent to the date of such failure to deliver, conversion or destruction of such Equipment plus its Unamortized Value at the time and all loss and damages sustained and all costs and expenses incurred by reason of the default. If after default Lessee delivers Equipment to Lessor or if Lessor repossesses Equipment, Lessee shall be liable for and Lessor may recover from Lessee all unpaid Rent and Interim Rent to the date of such delivery or repossession plus all loss and damages sustained and all costs and expenses incurred by reason of the default.

15. Equipment To Be and Remain Personal Property. It is the intention and understanding of both Lessor and Lessee that all Equipment shall be and at all times remain personal property. Lessee will obtain and record such instruments and take such steps as may be necessary to prevent any person from acquiring any rights in the Equipment paramount to the rights of Lessor, by reason of such Equipment being deemed to be real property. If, notwithstanding the intention of the parties and the provisions of this Section 15, any person acquires or claims to have acquired any rights in any Equipment paramount to the rights of Lessor, by reason of such Equipment being deemed to be real property, and such person seeks in any manner to interfere with the continued quiet enjoyment of the

Equipment by Lessee as contemplated by this Master Leasing Agreement, then Lessee shall promptly notify Lessor in writing of such fact (unless the basis for such interference is waived or eliminated to the satisfaction of Lessor within a period of ninety (90) days from the date it is asserted) and Lessee shall within ninety (90) days after such notice pay to Lessor or Lessor's assignee an amount equal to the Unamortized Value of such Equipment at the time of payment. The lease of the Equipment shall continue until such payment has been received and shall thereupon terminate; and upon such payment all of Lessor's title to and rights in such Equipment shall automatically pass to Lessee or its designee.

16. Termination. Either Lessor or Lessee may terminate this Master Leasing Agreement at any time with respect to any equipment not yet leased hereunder effective upon the delivery of notice in writing to the other party of such termination; provided, however, neither such notice nor termination shall affect any transactions entered into or rights created or obligations incurred prior to such termination. In the event of any such termination, Lessee shall arrange for and effect not later than one (1) year from the termination date or upon the expiration of the Basic Term, whichever occurs first, a termination of the lease of all Equipment hereunder and a sale of all Equipment in the manner and with the consequences as provided in Section 10 hereof. In addition, in the event Lessor exercises its right to terminate under this Section 16, Lessee shall also have the right to purchase all such Equipment for its then Unamortized Value not later than one (1) year from the termination date or upon the expiration of the Basic Term, whichever occurs first. Notwithstanding the provisions of Section 4 hereof, the lease term for all Equipment, the lease of which is terminated under this Section, and Lessee's obligation to pay Rent and Interim Rent shall continue until Lessor receives the sale proceeds or the purchase price of such Equipment.

17. Purchase of Equipment. (a) After the expiration of the Basic Term of any Equipment leased hereunder, and provided that Lessee is not in default hereunder, Lessee may purchase such Equipment for the greater of its then fair market value or its then Unamortized Value. The lease of such Equipment and Lessee's obligation to pay Rent therefor shall continue until the purchase price, any due and unpaid Rent and any other amounts due hereunder with respect to such Equipment have been transmitted to Lessor and shall thereupon terminate. If the parties cannot agree on the fair market value of any such Equipment, they shall follow the appraisal procedures provided in Section 1(f)(1).

(b) Upon expiration of the Basic Term for any Equipment leased hereunder, and provided that an event of default has not occurred and is continuing, Lessee may extend the term of this Leasing Agreement for such Equipment for an additional term to be agreed to by Lessor and Lessee (the 'Extended Term'). During such Extended Term, the Rent payable for such Equipment shall equal an amount calculated in accordance with Section 1(l) based on an amortization period as agreed to by Lessor and Lessee and as determined at the commencement of such Extended Term and based on an Expected Residual of 0% at the end of such Extended Term. Once the Aggregate Amortization of any Equipment leased hereunder equals the Acquisition Cost of such Equipment, the Rent for such Equipment thereafter will be an amount equal to one half of one percent (0.5%) of the Acquisition Cost of such Equipment.

(c) If on or prior to the expiration of the Basic Term for any Equipment Lessee shall fail to elect to purchase such Equipment pursuant to Section 17(a), sell such Equipment to an unrelated third party pursuant to Section 10, or extend the term of the lease of such Equipment pursuant to Section 17(b), it shall be assumed that Lessee elected to extend the term of the lease of such Equipment on a month to month basis for an additional 2 year Extended Term.

18. Finance Lease Status. The parties agree that this lease and each Individual Leasing Record hereunder is a "Finance Lease" as defined by the UCC. Lessee acknowledges

that Lessee has reviewed and approved any written "Supply Contract," (as such term is defined in the UCC) covering the Equipment purchased from the "Supplier" (as such term is defined in the UCC) thereof for lease to Lessee. Lessee also acknowledges the following:

- (a) Lessor has not selected, manufactured, or supplied the Equipment;
- (b) Lessor acquired or will acquire the Equipment or the right to possession and use of the Equipment in connection with the Individual Leasing Record; and
- (c) Lessor provides no warranties or other rights with respect to the purchase of the Equipment and any all rights Lessee has with respect to the purchase of the Equipment are solely against Supplier.

19. **DISCLAIMER OF WARRANTIES.** LESSEE AGREES AND ACKNOWLEDGES THAT ACCEPTANCE OF THE EQUIPMENT FOR LEASE SHALL CONSTITUTE LESSEE'S ACKNOWLEDGEMENT AND AGREEMENT THAT LESSEE HAS FULLY INSPECTED SUCH EQUIPMENT, AND THAT THE EQUIPMENT IS IN GOOD ORDER AND CONDITION AND IS OF THE MANUFACTURE, DESIGN, SPECIFICATIONS AND CAPACITY SELECTED BY LESSEE, THAT LESSEE IS SATISFIED THAT THE SAME IS SUITABLE FOR ITS PURPOSE, THAT LESSOR IS NOT ENGAGED IN THE SALE OR DISTRIBUTION OF EQUIPMENT, THAT LESSOR HAS NOT SELECTED, MANUFACTURED OR SUPPLIED SUCH EQUIPMENT, THAT LESSOR HAS PURCHASED THE EQUIPMENT FROM VENDORS OF LESSEE'S CHOICE, AND THAT LESSOR HAS NOT MADE AND DOES NOT HEREBY MAKE ANY REPRESENTATION, EXPRESS WARRANTY, IMPLIED WARRANTY, OR COVENANT WHATSOEVER WITH RESPECT TO TITLE, MERCHANTABILITY, CONDITION, QUALITY, DURABILITY, SUITABILITY, OPERATION OR FITNESS OF THE EQUIPMENT IN ANY RESPECT OR IN CONNECTION WITH, OR FOR ANY PURPOSE OR USE OF LESSEE, OR ANY OTHER REPRESENTATION, WARRANTY OR COVENANT OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT THERETO. Lessor shall, at Lessee's sole expense take all action reasonably requested by Lessee to make available to Lessee any rights of Lessor under any express or implied warranties of any manufacturer or vendor of the Equipment. The Lessee acknowledges and agrees that neither the manufacturer, the supplier, nor any salesman, representative or other agent of the manufacturer or supplier, is an agent of Lessor. No salesman, representative or agent of the manufacturer or supplier is authorized to waive or alter any term or condition of this Master Leasing Agreement and no representation as to the Equipment or any other matter by the manufacturer or supplier shall in any way affect Lessee's duty to pay Rent and perform its other obligations as set forth in this Master Leasing Agreement.

20. **Assignment by Lessor.** LESSEE ACKNOWLEDGES NOTICE THAT LESSOR MAY, IN CONNECTION WITH FINANCING ITS ACQUISITION AND OWNERSHIP OF SOME OR ALL OF THE EQUIPMENT, GRANT PARTICIPATIONS OR SECURITY INTERESTS IN OR SELL OR ASSIGN ITS INTERESTS IN SUCH EQUIPMENT, THIS MASTER LEASING AGREEMENT OR ANY RENT, INTERIM RENT OR OTHER AMOUNTS DUE HEREUNDER. Any instrument executed in connection with such assignment shall contain a provision to the effect that as long as Lessee is not in default hereunder or under any lease executed pursuant hereto, it shall be entitled to uninterrupted use and quiet enjoyment of the Equipment on the terms herein provided. After such assignment the terms and provisions of this Master Leasing Agreement may not be altered, modified or waived without the written consent of such assignee. In connection with such assignment Lessee agrees to execute such documents as Lessor or its assignee may reasonably request, including notices, acknowledgements and financing statements. Lessee agrees to permit Lessor to record this Master Leasing Agreement. Lessee hereby confirms for the benefit of any such assignee that this Master Leasing Agreement cannot be canceled or terminated, except as expressly provided herein and that Lessee's obligation to pay Rent,

Interim Rent and any other amounts due hereunder are absolute and unconditional. Upon the written request of such assignee, the Lessee shall make payment of all Rent, Interim Rent and other payments due hereunder with respect to such assignment to the assignee without abatement, deduction or setoff. Such payments shall discharge the obligations of the Lessee to the Lessor hereunder to the extent of such payments. Lessee further covenants and agrees that it will not assert against Lessor's assignee any defense, counterclaim or setoff due to a breach of warranty or otherwise in any action for Rent, Interim Rent or any other amounts due hereunder or for possession of the Equipment which is brought by Lessor's assignee. The assignment by the Lessor to the assignee of rights hereunder shall not impose on the assignee any of the duties or obligations of the Lessor hereunder, but in all other respects the assignee shall have all the rights of the Lessor hereunder to the extent necessary to realize upon Rent, Interim Rent and other amounts due hereunder and to protect the assignee's security interest in Equipment resulting from such assignment.

21. Leasing of Components. (a) Lessee may lease components of Equipment, no one of which constitutes a completed unit of Equipment but all of which shall be assembled into a completed unit of Equipment. The completed unit of Equipment and each of the components thereof shall be owned by Lessor and leased to Lessee hereunder. A component Individual Leasing Record shall be executed for each component of Equipment leased hereunder, and each such component Individual Leasing Record shall be clearly designated as such on the form of such Individual Leasing Record. The lease of each component shall be effective from the date of delivery of such component and the component Individual Leasing Record for such component shall be dated as of such date. When delivery is made on one or more components constituting less than a completed unit of Equipment, Lessee shall cause all such delivered components to be assembled into a completed unit of Equipment within six (6) months after the first day of the calendar month following the first of any such deliveries or within such longer period as may be agreed upon in writing by Lessor.

(b) Subject to the provisions of Subsection 21(e) hereof, Lessee shall pay Interim Rent to Lessor on a monthly basis for all components not yet assembled into a completed unit of Equipment beginning on the date of the applicable component Individual Leasing Record and continuing to and including the day before the commencement date of the applicable final Individual Leasing Record. As used in this Section "Interim Rent" for components shall equal the product of: (i) The aggregate Acquisition Cost of the components, multiplied by (ii) a fraction having a numerator equal to the number of days such components are under lease during such month and a denominator of 360, multiplied by (iii) the Percentage Rental Factor as provided for in paragraph 1(m)(3). Lessee shall also pay a Component Fee of (the "Component Fee") to Lessor for each series of components related to a completed unit of Equipment. Such Component Fee shall be paid by Lessee to Lessor for the month in which the first component in a series of components related to a completed unit of Equipment is leased hereunder.

(c) Upon assembly into a completed unit of Equipment, a final Individual Leasing Record shall be executed, the Monthly Amortization Figure and Rent shall be computed, and the lease term shall be deemed to commence for such unit of Equipment as of the date of the final Individual Leasing Record. The final Individual Leasing Record shall be dated as of the first day of the next succeeding month following assembly of the components into a completed unit of Equipment. The component Individual Leasing Records for the components of the completed units of Equipment shall be canceled on the same date the final Individual Leasing Record shall be dated. The Acquisition Cost of the completed unit of Equipment shall be the sum of the Acquisition Costs of the components thereof and all reasonable labor and other expenses incurred in assembling the unit of Equipment, and shall be amortized as provided in Section 1(l).

(d) Notwithstanding the foregoing, at least the provisions of Section 9 and the first sentence of Section 11 of this Master Leasing Agreement shall apply as between Lessor and

Lessee with respect to all components from the time such components are ordered by Lessor pursuant to a request from Lessee or from the time such components are delivered to Lessee, whichever shall first occur.

(e) At the option of the Lessee, Interim Rent may be capitalized and added to the Acquisition Cost hereunder on the last day of each month; provided, however, if, at any time, the aggregate Unamortized Value of Equipment plus Interim Rent shall exceed \$20,000,000, Lessor may deliver a notice to Lessee stating that Interim Rent shall no longer be capitalized. Capitalization of Interim Rent shall thereupon cease as of the first day of the month following receipt of such notice. If upon receipt of such notice the Unamortized Value shall exceed \$20,000,000, Lessee shall make an additional payment to Lessor on the first day of the month following receipt of such notice equal to such excess. Lessee shall indicate its intention to capitalize Interim Rent by indicating at the top of the appropriate Individual Leasing Record, 'Capitalized Interim Rent'.

22. Rebuilds. Lessee may, so long as it is not in default and prior to the expiration of the lease of any Equipment, rebuild such Equipment if the remaining life thereof is thereby extended, and if such rebuilt Equipment and all components thereof are owned by Lessor and leased to Lessee hereunder. When the rebuilt Equipment is delivered and accepted, a new Individual Leasing Record shall be substituted for the original Individual Leasing Record which shall be canceled. The new Individual Leasing Record shall be dated and the original Individual Leasing Record canceled as of the date of such delivery. The cost of such rebuild shall be paid by Lessor and added to the Unamortized Value, if any, of the Equipment at the time the new Individual Leasing Record is substituted, and the sum thereof shall be the Acquisition Cost of the rebuilt Equipment. The maximum number of months over which the Acquisition Cost of the rebuilt Equipment may be amortized shall be determined in accordance with Section 1(d) and as though the rebuilt Equipment were a new unit of Equipment leased on the date the Individual Leasing Record is substituted.

23. Miscellaneous. (a) **THIS MASTER LEASING AGREEMENT AND ALL RIGHTS HEREUNDER SHALL BE GOVERNED BY THE LAWS OF THE STATE OF MISSOURI INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE.**

(b) Each of the parties hereto acknowledges that the other party shall not by act, delay, omission or otherwise be deemed to have waived any of its rights or remedies hereunder or under any other instrument given hereunder unless such waiver is given in writing and the same shall be binding to the extent therein provided and only upon the parties signing the same. A waiver on any one occasion shall not be construed as a waiver on any future occasion.

(c) This Master Leasing Agreement shall be binding upon and inure to the benefit of the parties hereto, their permitted successors and assignees.

(d) All rights, remedies and powers granted herein, or in any other instrument given in connection herewith, shall be cumulative and may be exercised singularly or cumulatively.

(e) This Master Leasing Agreement constitutes the entire understanding or agreement between Lessor and Lessee and there is no understanding or agreement, oral or written, which is not set forth herein. The Lessee agrees to do such further acts and things and to execute and deliver to the Lessor such additional agreements, powers and instruments as the Lessor may reasonably require or deem advisable to carry into effect the purposes of this Master Leasing Agreement or to better assure and confirm to the Lessor its rights, powers and remedies under this Master Leasing Agreement.

(f) All notices required or permitted to be given to any party pursuant to this Master Leasing Agreement shall be in writing (including facsimile transmission) and shall be given to such party at its address or facsimile number set forth below, or such other address or facsimile number as such party may hereafter specify in writing for the purpose. Each such notice shall be effective, whether given by U.S. mail, courier, facsimile or any other means, when delivered at the address specified for notice, provided that the delivery is on a day when the party is open for business. In the event that notice is given by facsimile, such notice shall be followed by an original delivered by courier or U.S. mail.

If to Lessee: Monsanto Company
800 North Lindbergh Boulevard, Building E
St. Louis, Missouri 63167
Fax No. (314) 694-5520
Attention: Treasurer

If to Lessor: BLC Corporation
989 East Hillsdale Boulevard, Suite 300
Foster City, California 94404
Fax No. (415) 573-5669
Attention: Contract Services Department

(g) This Master Leasing Agreement may be executed in two or more counterparts, each of which, when taken together, shall constitute a single agreement binding upon all the parties hereto.

(h) If any provision of this Master Leasing Agreement is in conflict with any statute or rule of law in the jurisdiction where it is sought to be enforced, then such provision shall be deemed null and void to the extent that it may be in conflict therewith, but without invalidating the remaining provisions hereof.

(i) No provisions of this Master Leasing Agreement is to be interpreted for or against any party because that party or that party's legal counsel or representative drafted such provision.

(j) NO EXECUTORY AGREEMENT SHALL BE EFFECTIVE TO CHANGE, MODIFY OR DISCHARGE, IN WHOLE OR IN PART, THIS MASTER LEASING AGREEMENT, OR ANY OTHER INSTRUMENT GIVEN IN CONNECTION HEREWITH UNLESS SUCH AGREEMENT IS IN WRITING AND SIGNED BY LESSOR AND LESSEE.

24. Identification Markings and Numbering. As soon as is reasonably possible following delivery of any Railroad Equipment to the Lessee, the Lessee shall cause to be plainly, distinctly, permanently and conspicuously marked, placed or fastened upon each unit of Railroad Equipment the following legend in letters not less than one inch in height:

PROPERTY OF BLC CORPORATION, OWNER AND LESSOR

and any other legend requested by the Lessor disclosing the interest of any assignee hereunder with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the title of the Lessor to each unit of Railroad Equipment, its rights under this Agreement and the rights of any assignee hereunder. As soon as is reasonably possible after delivery of any Railroad Equipment to the Lessee, the Lessee shall cause one of its car reporting marks and designated car numbers to be assigned to and marked and/or placed on each side of each unit of Railroad Equipment delivered. At all times after delivery the Lessee will cause each unit of Railroad Equipment to bear on each side thereof the aforesaid legend and the car number so assigned to it. Such car reporting marks and designated car numbers shall not be changed by the Lessee without the prior

written consent of Lessor and any assignee of Lessor and any such change shall be in accordance with a statement of new marking numbers to be substituted therefor which statement previously shall have been delivered to the Lessor by the Lessee. Lessee agrees to file all necessary and appropriate documents with the ICC and/or any other authority as may be required under Federal, State or local law, rules or regulations with respect to any such change in car reporting marks and designated car numbers. Lessor and Lessee agree that this Agreement and any chattel mortgages executed in connection with the Railroad Equipment shall be filed by Lessor with the ICC pursuant to the provisions of Title 49 United States Code, Section 11303.

25. Mileage Allowances. In consideration of the Rent to be paid by the Lessee to or for the account of Lessor hereunder, Lessor agrees that it will promptly make available to Lessee in such manner as Lessor and Lessee agree, all mileage allowances received by or due to Lessor with respect to any Railroad Equipment leased hereunder; provided, however, no such mileage allowances shall be made available to the Lessee if such action is prohibited by or is illegal under any federal or applicable state law. Lessee shall render an annual accounting to the Lessor setting forth the total amount of its costs and expenses (including, without limitation, Rent, maintenance, insurance, operating expenses, taxes, accounting, legal clerical, supervisory and management expenses and all allocable portions of Lessee's overhead) paid or incurred during the accounting period and the amount of the mileage allowances paid to the Lessee during the same period. The Lessee may select the date for the first annual accounting during the first year of the lease of the Railroad Equipment hereunder and shall thereafter make an annual report as of the anniversary date of the first report. At the same time any report is made, Lessee shall make an adjustment of such mileage allowances if required by applicable law. To the extent permitted by applicable law, Lessee's right to receive mileage allowances shall be cumulative during the period covered by this Agreement. Lessee shall in no event claim any abatement of Rent by reason of mileage allowances or set off any amounts received by Lessor as mileage allowances against any Rent payable by Lessee under Section 5 hereof or against any other sums due Lessor or any assignee of Lessor under any other section of this Agreement. As used herein, mileage allowances shall include all sums due from any railroad for the use of any Railroad Equipment leased hereunder. Upon the final termination of the leases of all Railroad Equipment leased hereunder, all mileage allowances which have been received by or are due to Lessor as the result of the leasing during the term hereof of any of the Railroad Equipment leased hereunder, and which are in excess of allowances payable to Lessee hereunder shall be retained by Lessor.

Whether or not this Agreement and the lease of Railroad Equipment hereunder has been terminated, the Lessee shall be liable for and shall promptly pay for any excess empty mileage incurred by the movement of such Railroad Equipment while leased hereunder.

Notwithstanding any provision hereof to the contrary, during any period when there exists any event of default by the Lessee in the payment of Rent hereunder, any mileage allowance which would be otherwise available to Lessee hereunder shall be applied by Lessor to cure such event of default.

Lessee agrees to monitor, or cause to have monitored, the movement of Railroad Equipment hereunder, to handle billing in connection with the mileage allowances relating to the Equipment and to make all claims directly against the railroads for such mileage. In addition to the indemnity provisions contained in Section 9 of this Agreement, Lessee agrees to indemnify and hold harmless the Lessor against any and all claims, demands and liabilities of whatsoever nature and all costs and expenses relating to or in any way arising out of the operation or application of this Section 25 except for those claims, demands and liabilities which result solely from the gross negligence or willful misconduct of the Lessor.

IN WITNESS WHEREOF, Lessor and Lessee have duly executed this Master Leasing Agreement as of the day and year first above written.

Attest:

By John M. Augenbriehl
Asst. Secretary

BLC CORPORATION, Lessor

By Donald P. Moore
SR. VICE President

Attest:

By J. Russell Boyd
Secretary
Assistant Secretary

MONSANTO COMPANY, Lessee

By J. H. Hinkley JKH
Title Vice President and Treasurer

Form Approved
J.M.A.
Counsel

ACKNOWLEDGEMENT

STATE OF MISSOURI)
COUNTY OF ST. LOUIS) SS:

On October 27, 1994, before me, HARRIET CONLON, personally appeared J. H. Hinshaw, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument as Vice President and Treasurer and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Harriet Conlon
Notary Public

My Commission Expires:

HARRIET CONLON
Notary Public — Notary Seal
STATE OF MISSOURI
ST. LOUIS COUNTY
My Commission Expires: August 15, 1998

ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
COUNTY OF SAN MATEO) SS:

On October 28, 1994 before me, Sharri Nolting, Notary Public personally appeared Edmond P. Brioni, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument as Senior Vice President and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Sharri Nolting
Notary Public

My Commission Expires: 11/7/97



**SCHEDULE A
TO THE
MASTER LEASING AGREEMENT
DATED AS OF OCTOBER 1, 1994
BETWEEN
BLC CORPORATION, AS LESSOR
AND
MONSANTO COMPANY, AS LESSEE**

Description of Railroad Equipment:

Eight (8) railroad tank cars with the following serial numbers:

MLUX - 15000
MLUX - 15001
MLUX - 15002
MLUX - 15003
MLUX - 15004
MLUX - 15005
MLUX - 15006
MLUX - 15007

**SCHEDULE B
TO THE
MASTER LEASING AGREEMENT
DATED AS OF OCTOBER 1, 1994
BETWEEN
BLC CORPORATION, AS LESSOR
AND
MONSANTO COMPANY, AS LESSEE**

<u>Type of Equipment</u>	<u>Maximum Expected Residual %</u>	<u>Maximum Basic Term (in months)</u>
Equipment listed in Section 1(f)(i)	30%	120
Equipment listed in Section 1(f)(ii)	0%	60
Equipment listed in Section 1(f)(iii)	9%	180

EXHIBIT A

Master Draft 06/28/94
(Monsanto = Consignor)

RAIL CAR TRIP AGREEMENT

THIS AGREEMENT, made this _____ day of _____,
19____ between MONSANTO COMPANY, a Delaware Corporation
("Consignor") and _____ corporation ("Consignee").

WITNESSETH

WHEREAS, Consignor from time to time ships _____
(the "Product") in its (owned or leased) private rail Cars ("Car"
or "Cars") to the private tracks of Consignee at _____
("Destination"); and

WHEREAS, Consignee desires the Cars to be so shipped and to
use said Cars on its private tracks for the temporary storage of
the Product:

NOW, THEREFORE, in consideration of the premises and of the
mutual understanding hereunder, the parties have agreed as follows:

1. This Agreement shall become effective as to any such Car
at the time of its tender thereof at the F.O.B. point as set out in
the terms of sale of the Product ("F.O.B. Point") and shall
continue thereafter until such time as Consignee surrenders the
empty Car to the railroad which delivered the loaded Car to
Consignee at Destination.

2. Consignee shall use the Car only for the transportation
of the Product from F.O.B. Point to Destination and for the
temporary storage of the Product on Consignee's private tracks.
Consignee shall use its best efforts to unload each Car promptly
and minimize the days held following arrival. For each day a Car
is held in excess of _____ () consecutive days after
the first 7:00 a.m. following constructive or actual placement by
the railroad at Destination, Consignee shall pay Consignor as
liquidated damages _____ (\$) for each such day or
portion thereof until Car is released to delivering railroad.

3. Consignee shall return every Car to the railroad at
Destination in the same good condition as received by Consignee.
Consignee shall report to Consignor promptly in writing all loss or
damage which may be sustained by Car (including its tanks, fittings
or appurtenances), but Consignee shall make no repairs thereto
unless directed to do so in writing by Consignor. The cost of
repair or replacement caused by any or all damage to any Car while
this Agreement is in effect relative to such Car as pursuant to
Paragraph 1 hereof, except ordinary wear and tear in normal
operation, shall be at Consignee's expense, and Consignee agrees to
reimburse Consignor for all sums expended by Consignor for such

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repairs or replacement, provided, however, that this undertaking shall not be construed in such manner as to make Consignee responsible for damages to any Car to the extent caused by the negligence of either the Consignor or a railroad subscriber to the American Association of Railroads ("AAR") Code of Interchange Rules, or arising from an act of God.

4. Consignee hereby agrees to defend, indemnify and hold Consignor harmless from any and all loss, liability, claim, damage or expense (including reasonable attorney fees) arising out of or in any way connected with any Car or its contents while this Agreement is in effect relative to such Car pursuant to Paragraph 1 hereof, excepting however any loss, liability, claim, damage or expense which arises (a) as the result of, and to the extent caused by, the negligence of Consignor; or (b) for which a Railroad or Railroads have assumed full responsibility.

5. All mileage allowed by carriers shall accrue to and be collected by Consignor.

6. This Agreement shall continue in full force and effect until terminated by either party upon at least fifteen (15) days' prior written notice to the other, except it shall continue in effect with respect to any Car subject to this Agreement until such Car is surrendered by Consignee at Destination pursuant to Paragraph 1 hereof.

7. This Agreement may not be assigned by either party without the prior written consent of the other.

IN WITNESS WHEREOF, this Agreement has been executed in duplicate.

MONSANTO COMPANY
("Consignor")

By _____

("Consignee")

By _____